GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

STARRED QUESTION NO:8
ANSWERED ON:02.02.2017
Revival of Closed Jute Mills
Devi Smt. Rama;Giluwa Shri Laxman

Will the Minister of TEXTILES be pleased to state:

(a) the total number of jute mills at present and the number of jute mills out of these which have been closed or are on the verge of closure;

(b) whether the Government proposes to revive closed jute mills in the country and if so, the details thereof, State-wise;

(c) the details of various schemes formulated by the Government for reviving the jute mills and the extent to which the said schemes have been implemented; and

(d) the details of the monitoring mechanism in place for proper implementation of the said schemes?

Answer

MINISTER OF TEXTILES
(SMT. SMRITI ZUBIN IRANI)

(a) to (d): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. *8 TO BE ANSWERED ON 02/02/2017.

(a): At present, there are 97 jute mills in the country, of which 25 mills are closed as on 11th January, 2017.

(b): Most of the Jute Mills are under private management. The decision to close or re-open private jute mills rests with their management. These mills are closed due to various factors such as low productivity, trade unionism, raw material supply, fall in demand etc. In so far as the Government mills are concerned, under National Jute Manufactures Corporation (NJMC), 3 mills namely, Union Jute Mill, Alexandra Jute Mill and National Jute Mills have been closed as part of the approved revival plan of NJMC. The operation of remaining three mills namely, RBHM Jute mill in Katihar, Bihar, Kinnison Jute Mill and Khardah Jute Mill in West Bengal has been suspended due to below benchmark productivity and Industrial Relations problems.

(c) & (d): Government is implementing the following schemes and measures to support the jute manufacturing units and to strengthen the jute sector:-

(i) Under the Jute Packaging Materials (Compulsory Use in Packing Commodities) [JPM Act], 1987, Government specifies the commodities and the extent to which they are mandatorily required to be packed in Jute Packaging Materials. At present, a minimum of 90% of food grains and a minimum of 20% of sugar are to be compulsorily packed in jute sacking. On an average, the annual Government support to jute industry on the account amounts to Rs.5500 crores.

(ii) Whenever the market price of raw jute falls below a certain level, the Jute Corporation of India (JCI) procures raw jute at Minimum Support Price (MSP), fixed on the basis of recommendation of the commission for Agricultural Cost and Prices (CACP) from jute growers to safeguard their interest. Government of India has sanctioned Rs. 204 crores for four years starting 2014-15 to enable JCI to be in readiness for MSP operations.

(iii) Incentive Scheme for Acquisition of Plants and Machinery (ISAPM): Government of India has launched ISAPM for Jute Industry and Jute Diversified Products Manufacturing Units, with effect from 1st October 2013. The basic aim of this scheme is to facilitate modernization in existing and new jute mills and up- gradation of technology in existing jute mills and to provide assistance to a large number of entrepreneurs to manufacture value added biodegradable Jute Diversified Products (JDP) as well as for modernization Jute up-gradation of technology.

(iv) Jute-ICARE (Jute: Improved Cultivation and Advanced Retting Exercise): This pilot project launched in 2015 is aimed at addressing the difficulties faced by the jute cultivators by providing them certified seeds at subsidized rates, seed drills to facilitate line sowing, nail-weeders to carry out periodic weeding and by popularising several newly developed retting technologies under water limiting conditions. This has resulted in increased returns to jute farmers.

(v) The National Jute Board implements various schemes for market development, workers welfare, promotion of diversification and exports.

(vi) Recently, Government has issued a notification on 5th January, 2017 imposing Definitive Anti-Dumping Duty on jute goods originating from Bangladesh and Nepal. Based on the current level of imports, the Industry has estimated that this is likely to generate upto 2 lakh MT of additional demand for jute goods to be met by the Indian Jute industry.

The implementation of above initiatives is monitored by the offices of Jute Commissioner, Jute Corporation of India and the National jute Board under the overall guidance of the Ministry of textiles.

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